



**Scott Walker, Governor**  
**Dave Ross, Secretary**

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### Settlements FAQs

**1. A stipulation agreement is entered into by the purchaser by land contract of a residential rental property. If the purchaser defaults on the land contract before the stipulation agreement expires (one year from date of authorization), does the original owner (vendor) have to fulfill stipulation requirements?**

**Answer:** No. The original owner (vendor), in order to terminate the stipulation, must notify the department that the sale is null and void by reason of foreclosure or submittal of quit claim deed in lieu of foreclosure. If the owner subsequently decides to sell same property again, code compliance may be required depending upon use after the subsequent sale.

**2. A person buying on a land contract gives the property back to the original owner in lieu of foreclosure. Is this transfer excluded?**

**Answer:** This transfer is excluded and should be treated the same as Comm. 67.04(32)(k), transfers of property pursuant to foreclosure or in lieu of foreclosure. Use W-3, 77.25 (14), Stats.

**3. Are financial institutions subject to the Rental Unit Energy code?**

**Answer:** Financial institutions holding insured loans (FHA, HUD, VA, etc) that recover property under foreclosure, or deed in lieu for foreclosure, are excluded from the RWP. For these transactions, exclusion Code W-3 should be used on the Real Estate Transfer Return along with an explanation (deeded to HUS, deeded to FHA, etc).

**4. Do Community Based Residential Facilities (CBRF's) qualify for an exclusion as a health care facility?**

**Answer:** Yes. Because a CBRF is a health care facility covered under HFS 83, relating to community based residential facilities as described in the code.

**5. Do Bed and Breakfast establishments qualify for an exclusion as a health care facility?**

**Answer:** Yes. Because a bed and breakfast establishment is covered under HFS 197, as described in the code.

**6. Are homeless shelters subject to code?**

**Answer:** Yes, if they charge rent or any remuneration of any sort. No, if there is no rent or any remuneration of any sort.